ARTICLE APPEARED

NEW YORK POST 5 April 1983

By NILES LATHEM Bureau Chief

WASHINGTON President Reagan is planning to give U.S. intelligence agencies millions in new funds to crack Cuban spy and drug rings operating in the U.S., The Post has learned.

Sources on the Senate Intelligence Committee said last night that Reagan has requested a substantial increase" in funds for the CIA, the Defense Intelligence Agency and the FBI to stop Cuban intelligence agents from acquiring U.S. dollars from the illegal drug trade.

The request is being made in the administration's secret 1984 budget for intelligence agencies - the details of which remain highly classified.

Reagan's new order came in response to requests by Sens. Daniel P. Moynihan (D.N.Y.) and Joseph Biden (D-Del.), who have been in-

vestigating the Cuban narcotics connection since last summer.

The Intelligence Committee's investigation has uncovered evidence that Cuban strongman Fidel Castro has gotten into the nacotics business:

- To get U.S. currency, which he funnels to insurgents throughout the U.S., Mexico, and Latin America
- To "poison" the U.S. and add to the social and crime problems that drugs have created in this country.

The committee's investigation has also uncovered evidence that Castro allows drug smugglers, particularly from Colombia, to use Cuba — just 90 miles from Florida - as a safe haven and stopover.

Moynihan told The Post last night that news of Reagan's request comes as a former intelligence

agent testifies today in Manhattan about how he raised \$3 million for Cuba by smuggling drugs into the U.S.

Agent Mario Estebes Gonzalez (an alias), who came to the U.S. on the Cuban freedom flotilla in 1980, will testify at a special hearing chaired by Sen. Alfonse D'Amato and State Sen. Cuban DGI-sponsored operation that could involve as many as 3000 Cuban agents who have

infiltrated this country posing as refugees.

Gonzalez was arrested in Florida in November 1981 for transporting 2500 pounds of marijuana, and has been given immunity in return for his exposure of Cuban drug operations.

D'Amato said tast night that news of the Joseph Marino about a operation was an "open wound made deeper and more cancerous by a cynical Cuban government."

STAT